Pool of Independent Directors for Banks

3169. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to create an expert talent pool of independent directors to join various bank boards as recommended by a consultative group of Reserve Bank of India;

(b) if so, the details thereof;

(c) the time by when the pool of independent directors is likely to be created; and

(d) the steps taken to include experts from fields of Finance, Agriculture, Infrastructure, information technology in the proposed pool of independent directors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) The Consultative Group set up by Reserve Bank of India to review the supervisory role of board of directors of banks and financial institutions has submitted its report to Reserve Bank of India which is being examined by them.

Gold Exchange

3170. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has decided to set up Gold Exchange in the Country;

(b) if so, the details thereof; and

(c) the steps taken to create awareness in Investors to look at Gold as long term financial instrument?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir.

(b) Does not arise.

(c) A Gold Deposit Scheme was notified by the Government on

14th September, 1999 with a view to bringing privately held gold in circulation, reducing the country's reliance on import of gold, and providing its owners with some income apart from freeing them from the problems of storage, movement and security of gold in their possession. The scheme is operated by banks authorised by RBI and is open to persons residing in India. Five banks have launched their schemes under the guidelines.

Objectives of ARC

3171. SHRI C.O. POULOSE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to establish Asset Reconstruction Corporation (ARC) of India;

(b) if so, the details thereof alongwith the main objectives of the proposed ARC;

(c) by when it will come into existence; and

(d) how far it will safeguard the interest of the public sector institutions in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. Narasimham Committee I & II and Verma Working Group had recommended setting up of ARC for collecting the distressed assets from Banks and Financial Institutions with a view to develop market for such assets. As a follow up to such recommendations, Government has been considering various options available to it for setting up of ARC.

The objectives of ARC will cover provision of Agency Services for Asset Reconstruction, recovery of Non-Performing Assets (NPAs) in the financial system, research and development in the fields of asset, recovery and risk management and risk mitigation in the financial system and such other allied objects.